

sources proposed for use in various operational activities.

The CIA is in the process of conducting its second decennial review of its operational files to determine whether any of the previously designated files, or portions thereof, can be removed from any of the specified categories of exempted files. The CIA Information Act of 1984 requires that the decennial review "include consideration of the historical value or other public interest in the subject matter of the particular category of files or portions thereof and the potential for declassifying a significant part of the information contained therein." In accordance with this requirement, the CIA hereby solicits comments for the DCI's consideration during the decennial review of the CIA's operational files regarding the historical value of, or other public interest in, the subject matter of these particular categories of files or portions thereof described above and the relationship of that historical value or other public interest to the removal of previously designated files or any portions thereof from such a classification.

Dated: December 7, 2004.

Edmund Cohen,

*Director of Information Management Services,
Office of the Chief Information Office.*

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DEPARTMENT OF COMMERCE

International Trade Administration

C-357-813

Honey from Argentina: Preliminary Results of Countervailing Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty order on honey from Argentina for the period January 1, 2003, through December 31, 2003. If the final results remain the same as the preliminary results of this review, we will instruct U.S. Customs and Border Protection (CBP) to assess countervailing duties as detailed in the "Preliminary Results of Administrative Review" section of this notice. Interested parties are invited to comment on the preliminary results of this administrative review. (See the "Public Comment" section of this notice).

EFFECTIVE DATE: December 21, 2004.

FOR FURTHER INFORMATION CONTACT:

Thomas Gilgunn or Dara Iserson, AD/CVD Operations, Office 6, U.S. Department of Commerce, Room 7867, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-4236 or (202) 482-4052, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 10, 2001, the Department published in the **Federal Register** the countervailing duty order on honey from Argentina. See *Notice of Countervailing Duty Order: Honey From Argentina*, 66 FR 63673. In response to requests for an administrative review of the countervailing duty (CVD) order on honey from Argentina from the Government of Argentina (GOA) and the American Honey Producers Association and the Sioux Honey Association (petitioners), the Department initiated an administrative review for the period January 1, 2003 through December 31, 2003. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 69 FR 3117 (January 22, 2004) (Initiation Notice).

On March 3, 2004, we issued a questionnaire to the GOA. On April 24, 2004, the GOA submitted its questionnaire response. On June 9, 2004, the Department issued a supplemental questionnaire to the GOA. The GOA submitted its response to the supplemental questionnaire on June 28, 2004. On August 2, 2004, we extended the preliminary results from

September 1, 2004, until not later than December 13, 2004. See *Notice of Extension of Time Limit for the Preliminary Results of Countervailing Duty Administrative Review: Honey From Argentina*, 69 FR 48222 (August 9, 2004). On September 23, 2004, the Department issued a second supplemental questionnaire to the GOA. The GOA submitted its response to the supplemental questionnaire on October 5, 2004. On October 20, 2004, the Department issued a third supplemental questionnaire to the GOA. The GOA submitted its response to the supplemental questionnaire on November 5, 2004.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), we intend to conduct verification of the GOA's questionnaire responses following the issuance of the preliminary results.

Scope of the Order

The merchandise covered by this order is artificial honey containing more than 50 percent natural honeys by weight, preparations of natural honey containing more than 50 percent natural honeys by weight, and flavored honey. The subject merchandise includes all grades and colors of honey whether in liquid, creamed, combs, cut comb, or chunk form, and whether packaged for retail or in bulk form.

The merchandise subject to this order is currently classifiable under subheadings 0409.00.00, 1702.90, and 2106.90.99 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the merchandise covered by this order is dispositive.

Subsidies Valuation Information

A. Aggregation

Under section 777A(e)(2)(B) of the Act, the Department may calculate a single country-wide rate applicable to all exporters if the Department determines it is not practicable to determine individual countervailable subsidy rates due to the large number of exporters or producers involved in the investigation or review. In the countervailing duty (CVD) investigation of honey from Argentina, the Department solicited information from the GOA on an aggregate or industry-wide basis in accordance with section 777A(e)(2)(B) of the Act, rather than from individual producers and exporters, due to the large number of producers and exporters of honey in Argentina. See *Memorandum to the File, Countervailing Duty Investigation of Honey from Argentina: Conducting the Investigation on an Aggregate Basis*, dated November 22, 2000. We also conducted the first administrative review on an aggregate basis. See *Honey from Argentina: Final Results of Countervailing Duty Administrative Review*, 69 FR 29518 (May 24, 2004). As noted above, in accordance with 19 CFR § 351.213(b)(2), the GOA requested an administrative review of this countervailing duty order. (See *Initiation Notice*.) No individual exporters requested the review pursuant to 19 CFR § 351.213(b). Accordingly, the Department is conducting this review of the order on an aggregate basis and will calculate a single country-wide subsidy rate for 2003 to be applied to all exports of the subject merchandise. See section 777A(e)(2)(B) of the Act.

Allocation Period

The average useful life ("AUL") period for the honey industry as described in 19 CFR § 351.524(d)(2) is ten years according to the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System. No party in this proceeding has disputed this allocation period.

Benchmark Interest Rates and Discount Rates

In selecting benchmark interest rates for use in calculating the benefits conferred by the various loan programs under review, we would normally look for the interest rate a borrower had received on a comparable commercial loan. See 19 CFR § 351.505(a)(3)(i). However, since we are conducting this review on the aggregate level, and we are not examining individual companies, we have sought information on the national average interest rates for comparable commercial loans. See 19 CFR § 351.505(a)(3)(ii). The GOA provided information compiled by the Central Bank of Argentina showing the national average interest rates for various types of financing: long-term, fixed-rate, denominated in Argentine pesos and in foreign currencies. For each loan program found to be countervailable, we have selected a benchmark from the information provided depending upon the terms and characteristics of the particular loan program.

We are directed by 19 CFR § 351.524(d)(3) regarding the selection of a discount rate for the purposes of allocating non-recurring subsidies over time. Since we are conducting this investigation on an aggregate basis under section 777A(e)(2)(B) of the Act, we are using, as the discount rate, the average cost of long-term fixed-rate loans in Argentina as reported by the GOA. See 19 CFR § 351.524(d)(3)(i)(B).

Denominator Issues

The GOA has provided information for 2003 relating to the total volume of honey produced in Argentina; the volume and value, in U.S. dollars, of total honey exports; and, the volume and value, in U.S. dollars, of exports of honey to the United States. The GOA has also broken down, where possible, the export volumes and values according to the province in which the honey was produced. However, the GOA was unable to provide information relating to total domestic sales of honey for 2003. As a proxy for total sales information, the GOA provided data showing the volume of honey

production by province during 2003. However, the GOA stated that it could not provide the value of production for 2003. Consistent with the investigation and first administrative review, we calculated a proxy for the value of the total production reported by the GOA using the volume and value data provided for exports to the United States. See *Notice of Final Affirmative Countervailing Duty Determination: Honey from Argentina*, 66 FR 50613 (October 4, 2001) (*Honey Final Determination*), and the accompanying Issues and Decision Memorandum (*Honey Issues Memo*), at "Denominators." We divided the value of Argentine honey exports to the United States by the volume of those exports to calculate a per kilogram value in U.S. dollars. We then multiplied this per kilogram value by the provincial production data provided to arrive at the value of total Argentine honey production during 2003. We have used this total production value as our denominator when calculating the subsidy from domestic subsidy programs provided by the GOA, and we have used the relevant provincial production value as our denominator when calculating the subsidy from domestic subsidies provided at the provincial level. We have used the total or provincial export values, as appropriate, as our denominators when calculating the subsidy from programs we have determined to be export subsidies.

To determine the final subsidy from each provincial program that is attributable to exports of honey to the United States, we applied the same methodology that we applied in *Honey Final Determination and Honey Final Results: First Administrative Review*: (1) for provinces for which we have reported data on the volume and value of honey production that was exported, we weight-averaged the subsidies from each provincial program by multiplying each subsidy by the province's share of total honey exports, by value, to the United States during the POR; and (2) for provincial domestic subsidy programs in provinces that do not have reported exports of honey to the United States during the POR, but do have reported honey production during the POR, and for which the GOA did not specifically report that the province had no exports to the United States, we divided the benefits by the total value of Argentine honey production during the POR. Where the countervailable subsidy rate for a program was less than 0.005 percent *ad valorem*, the program

was not included in calculating the country-wide countervailing duty rate.

As noted above, Argentine honey production and exports have been valued in U.S. dollars. As detailed below, certain Argentine peso-denominated loan programs provided benefits to Argentine honey producers and exporters in Argentine pesos. In such instances, we converted those Argentine peso-denominated benefits into U.S. dollars using the official exchange rate data provided by the GOA.

Analysis of Programs

I. Programs Preliminarily Determined To Be Countervailable

A. Federal Programs

1. Regional Productive Revitalization Program

The GOA established the "Regional Productive Revitalization: National Program for the Promotion and Development of Local Productive Initiative" (Regional Productive Revitalization Program) to strengthen the economies of small and medium-sized towns in the Argentine interior. The program was established in 1995 with funds from the national treasury allocated for use by the provinces. Although the program was administered at the national government level, its objective was to address financial emergencies and regional economic devastation in the provinces. The program discontinued granting new credits in the beginning of 1999. However, it remains operational as long as the loans granted are outstanding and continue to be serviced. The Regional Productive Revitalization Program provided credit for the acquisition of capital goods, technology, working capital, training needs, and technical assistance. During the time the program was fully operational, two Argentine peso-denominated long-term loans were made to honey producers. One of these loans had a balance outstanding during 2003.

In *Honey Final Determination and Honey Final Results: First Administrative Review*, we determined that the Regional Productive Revitalization Program was countervailable as a regional subsidy. See *Honey Issues Memo*, at "Regional Productive Revitalization: National Program for the Promotion and Development of Local Productive Initiative." There is no new information or evidence of changed circumstances which would warrant reconsidering this finding.

Loans under this program provide a financial contribution under section 771(5)(D) of the Act in the form of a transfer of funds. To determine whether there was a benefit, we compared the interest rate charged on the loan provided under this program to the commercial interest rate for loans that most closely resemble loans under this program. (See “Benchmark Interest Rates and Discount Rates” above.) Based on this comparison, the amount that the recipient paid was less than the amount the recipient would have paid on a comparable commercial loan that could actually be obtained on the market. Thus, this line of credit provides a benefit under section 771(5)(E) of the Act.

Consistent with our approach in *Honey Final Determination* and *Honey Final Results: First Administrative Review*, we are treating these two loans differently for the purposes of calculating the benefit. For the loan with an outstanding balance in 2003, we calculated the Argentine peso-denominated benefit by multiplying the average loan balance outstanding during 2003 by the difference between the loan interest rate charged and the benchmark interest rate. (This loan was fully repaid during the POR). For our benchmark interest rate, we selected from the information provided by the Central Bank of Argentina, a rate for the type of loans that most closely resembled the terms of this program. See “Benchmark Interest Rates and Discount Rates” above.

For the second loan, in *Honey Final Determination*, we determined that this loan had been forgiven during 1999, the period of investigation (POI), and we therefore, treated the amount of debt forgiven as a grant conferred in that year. See 19 CFR § 351.508. To calculate the benefit, we allocated the resulting Argentine peso-denominated grant amount over the AUL of 10 years. See section entitled “Allocation Period” above. We used an appropriate discount rate, as discussed in the “Benchmark Interest Rates and Discount Rates” section, above. To calculate the subsidy rate for this program, we summed the Argentine peso-denominated benefit amounts attributable to the first loan and the Argentine peso-denominated benefit for the POR from the forgiven loan that we are treating as a grant. We then converted the total benefit amount to U.S. dollars using the official exchange rate data provided by the GOA and divided this amount by the U.S. dollar-denominated value of honey produced in Argentina during 2003 to calculate a countervailable subsidy rate of 0.010 percent *ad valorem* for 2003.

2. BNA Financing for the Acquisition of Goods of Argentine Origin

The financing for the Acquisition of Goods of Argentine origin program was established by the Banco de la Nación Argentina (BNA), a bank owned by the GOA, pursuant to Annex B to the BNA Circular No. 10715/I. This line of credit is offered by BNA to companies purchasing capital equipment manufactured in Argentina (defined as having a maximum foreign component of 40 percent). Financing is provided for up to five years, in an amount equal to 80 percent of the purchase price of the equipment not to exceed US\$500,000. There was one U.S. dollar-denominated loan granted under this program to a honey producer in 2001 which had a balance outstanding during 2003.

In *Honey Final Results: First Administrative Review*, we found that the BNA Financing for the Acquisition of Goods of Argentine Origin was specific as an import substitution subsidy under section 771(5A)(c) of the Act because this financing was available only for the purchase of Argentine-origin goods. There is no new information or evidence of changed circumstances which would warrant reconsidering this specificity finding.

Loans under this program provide a financial contribution under section 771(5)(D) of the Act in the form of a transfer of funds. To determine whether there was a benefit, we compared the interest rate charged on the loan provided under this program to the commercial interest rate for loans that most closely resemble loans under this program. (See “Benchmark Interest Rates and Discount Rates” above.) Based on this comparison, the amount that the recipient paid was less than the amount the recipient would have paid on a comparable commercial loan that could actually be obtained on the market. Thus, this line of credit provides a benefit under section 771(5)(E) of the Act.

As discussed in *Honey Final Results: First Administrative Review*, the Republic of Argentina followed a currency board system under its Convertibility Law of maintaining parity between the Argentine peso and the U.S. dollar until January 2002. On January 6, 2002, Emergency Law No. 25,561 (Law 25,561) ended the one Argentine peso—one U.S. dollar relationship. In addition, Article 6, paragraph 2 of Law 25,561 and Decree 214/2002 established the mandatory restructuring of foreign currency-

denominated debts¹ at a relationship of one U.S. dollar—one Argentine peso. This loan was converted from U.S. dollars to Argentine pesos under Law 25,567 and Decree 214/2002.

Because this loan was converted from U.S. dollars to Argentine pesos on January 29, 2002, pursuant to Law 25,567 and Decree 214/2002, in our *Honey Final Results: First Administrative Review* we considered that there was, in effect, a new long-term fixed rate Argentine peso-denominated loan made in 2002. As such, consistent with our approach in *Honey Final Results: First Administrative Review*, we calculated the countervailable subsidy for 2003 in three steps: 1) we multiplied the average Argentine peso-denominated outstanding loan balance during the POR by the difference between the interest rate charged under the program and the appropriate benchmark interest rate for Argentine peso-denominated loans made during 2002; 2) we converted the 2003 Argentine peso-denominated benefit into U.S. dollars using the official annual average exchange rate data provided by the GOA; 3) we divided this U.S. dollar-denominated amount by the U.S. dollar value of total honey production in Argentina during 2003. Using this methodology, we preliminarily find the countervailable subsidy from this program to be less than 0.005 percent *ad valorem* for 2003. Using this methodology, we determine the countervailable subsidy from this program to be less than 0.005 percent *ad valorem*.

B. Provincial Programs

1. Province of San Luis Honey Development Program

The San Luis Honey Development Program promoted honey production to supplement the income of disadvantaged people in underdeveloped areas in the province of San Luis through credit lines. These long-term, fixed rate, and Argentine peso-denominated loans were made as part of a series of annual campaigns which took place from 1994 through 1999.

In *Honey Final Determination* and *Honey Final Results: First Administrative Review*, the Department found the Province of San Luis Honey Development Program to be a countervailable subsidy. There is no new information or evidence of changed

¹ Law 25,567 and Decree 214/2002 converted all foreign currency-denominated debts except those directly related to the financing of exports.

circumstances which would warrant reconsideration of this finding.

In *Honey Final Determination and Honey Final Results: First Administrative Review*, we treated loans made under this program as loans that had been forgiven during 1999, the POI. See 19 CFR § 351.508(a). In the instant review, the GOA reported that the Province of San Luis had not received any interest payments or principal payments from beneficiaries during the POR. Therefore, consistent with our methodology in the investigation and the first administrative review, we have summed the amounts disbursed through the program for the years 1994 through 1999, plus the accrued interest through 1999, when the loans were effectively forgiven. We then allocated this sum over the 10-year AUL. We used the 1999 annual average of long-term, fixed, peso-denominated interest rates as our discount rate. See "Benchmark Interest Rates and Discount Rates," and "Allocation Period" sections, above.

For the purposes of establishing the countervailable subsidy rate for 2003, we converted the Argentine peso-denominated benefit attributable to 2003 into U.S. dollars using the official exchange rates provided by the GOA. We then divided this amount by the U.S. dollar value of honey production in the Province of San Luis during 2003. We then determined the countervailable subsidy attributable to subject merchandise from this program by multiplying the calculated subsidy rate by the percentage that honey from San Luis represents of total honey exports to the United States during 2003. Thus, the countervailable subsidy rate attributable to this program for 2003 is 0.015 percent *ad valorem*.

2. Province of Chaco Line of Credit Earmarked for the Honey Sector

The Chaco government's Line of Credit Earmarked for the Honey Sector (Chaco Honey Program) funded efforts to increase honey production in the province. The Chaco government offered long-term, fixed rate, Argentine peso-denominated loans to purchase hives, as well as loans to improve access to new bee breeds and for honey extraction rooms. These loans were made as part of a series of annual campaigns which took place in 1995, 1997, and 1999.

In *Honey Final Determination and Honey Final Results: First Administrative Review*, we determined that loans made through the Chaco Honey Program were *de jure* specific in accordance to section 771(5A)(D)(i) of the Act. See *Honey Issues Memo*, at "Province of Chaco Line of Credit

Earmarked for the Honey Sector." There is no new information or evidence of changed circumstances which would warrant the reconsideration of this specificity finding.

Loans under this program provide a financial contribution under section 771(5)(D) of the Act in the form of a transfer of funds. Consistent with *Honey Final Results: First Administrative Review*, we calculated outstanding balances for these loans to include outstanding interest which accrued on these loans. In order to determine whether a benefit existed, we compared the interest rate charged on loans provided under this program to the commercial interest rates for loans that most closely resemble loans under this program. Because these are long-term, fixed rate, Argentine peso-denominated loans, we selected from information provided by the GOA a long-term benchmark from: 1995 to apply to the 1995 tranche; 1997 to apply to the 1997 tranche; and 1999 to apply to the 1999 tranche. Based on this comparison, there is a difference in the amount the recipient of the loan pays on the loan and the amount the recipient would have paid on a comparable commercial loan that the recipient could have actually obtained on the market. Thus, these loans provide a benefit, under section 771(5)(E)(ii) of the Act.

We calculated the amount of the benefit for 2003 in the following steps: 1) we multiplied the average, outstanding, Argentine peso-denominated loan balances for 2003 by the interest rate differential; 2) we converted the resulting Argentine peso-denominated benefit into U.S. dollars using the official exchange rates provided by the GOA; 3) because the GOA was unable to demonstrate that no honey produced in Chaco was exported to the United States in 2003, we divided this U.S. dollar-denominated benefit by the U.S. dollar value of honey production in Argentina during 2003. Thus, the countervailable subsidy rate for 2003 applicable to the Chaco Honey Program is 0.015 percent *ad valorem*.

3. Buenos Aires Honey Program

In 1996, the Province of Buenos Aires created the Buenos Aires Honey Development Program (BAHP) to increase provincial honey production and improve production efficiency and quality. Through the program, the Banco de la Provincia de Buenos Aires (Banco Provincia or BAPRO), a bank owned by the government of the Province of Buenos Aires, provides two types of credit lines to honey producers in the province: the Line of Credit for Working Capital and the Line of Credit for the

Acquisition of Capital Goods. Eligibility for both credit lines requires honey producers to enroll in the Province's Registry of Honey Producers. In addition, the Province of Buenos Aires provided Technical Assistance at no charge to honey producers.

In the underlying investigation, we found all three elements of the BAHP to provide countervailable subsidies. See *Honey Issues Memo*, at "Buenos Aires Honey Program." There is no new information or evidence of changed circumstances which would warrant reconsideration of this finding. However, the GOA reported, and we verified in the first administrative review, that no technical assistance was provided under the BAHP during the 2001–2003. See *Honey Final Results: First Administrative Review*.

No new loans were granted to honey producers during the POR under either the working capital or capital goods elements of this program. However, there were capital goods loans made prior to the POR, which had outstanding balances during the POR.

The Line of Credit for the Acquisition of Capital Goods under the BAHP was implemented by the Banco Provincia through Circular "A" No. 13,854 in July 1997, pursuant to an agreement between the Banco Provincia and Banco de Inversion y Comercio Exterior S.A. (BICE), and utilizes funding provided through the BICE Norms 006 and 006/1. The BICE is a GOA entity, that functions as a "second tier" bank, lending money to other banks (both commercial and other government-owned or controlled banks) for the purpose of implementing government lending programs.

Under this line of credit, beekeepers are eligible to receive long-term financing for the acquisition of capital goods including beehives, new nuclei, inert material, and extraction and processing material, among other goods. Financing for this line of credit carries a maximum repayment term of five years. Interest rates are based on LIBOR, plus a spread added by the BICE, and a spread added by the Banco Provincia. The spreads given by both the BICE and Banco Provincia vary depending upon the repayment schedule of the loan. Although, all of the loans that had outstanding loan balances during the POR were originally provided in U.S. dollars, these balances were converted to Argentine pesos on January 29, 2002, in accordance with Law 25,567 and Decree 214/2002.

In the instant review, the GOA reported that the Banco Provincia classified certain loans made under this line of credit as active with outstanding

balances payable during 2003. The GOA also reported the Banco Provincia had categorized other loans with balances outstanding in 2003 as in default or cancelled. In addition, the GOA reported that certain loans with outstanding balances payable during 2003 had been assigned to a trust created by the Province of Buenos Aires for defaulted loans.

For loans that the Banco Provincia considered to be active, we calculated the Argentine peso-denominated benefit for the loan by multiplying the average loan balance outstanding during 2003 by the difference between the loan interest rate charged and the benchmark interest rate. For our benchmark interest rate, we selected, from the information provided by the Central Bank of Argentina, a rate for the type of loans that most closely resembled the terms of this program. See "Benchmark Interest Rates and Discount Rates" above.

As noted above, the GOA reported the Banco Provincia had categorized certain loans with balances outstanding in 2003 as in default, cancelled, or as having been "assigned to trust created by the Province of Buenos Aires for defaulted loans." We therefore find that these loans had been forgiven during 2003 and treated the amount of debt forgiven as a grant conferred in 2003. See 19 CFR § 351.508. To calculate the benefit, we have allocated the resulting Argentine peso-denominated grant amount over the AUL of 10 years. See section entitled "Allocation Period" above. We have used an appropriate discount rate, as discussed in the "Benchmark Interest Rates and Discount Rates" section, above.

We calculated the total countervailable subsidy for 2003 from the Buenos Aires Honey program as follows: 1) we summed the Argentine peso-denominated benefits attributable to active loans and forgiven debt and converted the sum into U.S. dollars using the official exchange rates provided by the GOA; 2) we divided this total 2003 benefit by the value of honey production in the Province of Buenos Aires during 2003; and 3) we determined the subsidy attributable to subject merchandise from this program by multiplying the calculated subsidy rate by the percentage that honey from the Province of Buenos Aires represents of total honey exports to the United States during 2003. See section entitled "Denominator Issues" above. Thus, we preliminarily determine the countervailable subsidy rate from the Buenos Aires Honey Program for 2003 is 0.038 percent *ad valorem*.

II. Programs Preliminarily Determined to be Not Used

We preliminarily determine that Argentine producers and exporters of honey to the United States did not apply for or receive benefits under the following programs during the POR.

A. Federal Programs

1. Argentine Internal Tax Reimbursement/Rebate Program (Reintegro)
2. BICE Norm 001: Financing of Production of Goods Destined for Export
3. BICE Norm 007: Line of Credit Offered to Finance Industrial Investment Projects to Restructure and Modernize the Argentine Industry
4. BNA Line of Credit to the Agricultural Producers of the Patagonia
5. BNA Pre-Financing of Exports Regime for the Agricultural Sector
6. Production Pole Program for Honey Producers
7. Enterprise Restructuring Program
8. SGRs - Government Backed Loans Guarantees
9. Fundacion Export AR
10. PROAPI

B. Provincial Programs

1. Buenos Aires Honey Program
 - a. The Line of Credit for Working Capital
 - b. Technical Assistance
2. Province of Entre Rios Honey Program
3. Province of Chubut: Province of Chubut Law No. 4430/98
4. Province of Santiago del Estero Creditos de Confinanzas (Trust Credits)

III. Programs Preliminarily Determined To Be Terminated

Factor de Convergencia (Convergence Factor)

Under this program exporters could claim a payment from the GOA for a percentage of the FOB value of the exports. The GOA paid exporters an amount determined according to a formula accounting for the exchange rate between the U.S. dollar and the Euro. The GOA reported that the Convergence Factor program was terminated on January 25, 2002 by Decree 191/2002 and that there were no residual benefits. The GOA also reported that a replacement program has not been implemented. 19 CFR § 351.526(b) defines a program-wide change as a change that is not limited to a single firm and was effectuated by an official act such as a decree. We note

that GOA has reported that Decree 191/2002 terminated the Convergence Factor programs for all exports. As such, in accordance with 19 CFR § 351.526(b), we preliminarily find that the Convergence Factor program was terminated in 2002, and that there are no residual benefits attributable to the POR.

Preliminary Results of Administrative Review

In accordance with section 777A(e)(2)(B) of the Act, we have calculated the subsidy rates on an aggregate or industry-wide basis for exports of subject merchandise in this administrative review. We preliminarily determine the total net countervailable subsidy rate is 0.08 percent *ad valorem* for 2003, which is *de minimis*.

If upon issuance of the final results of this administrative review the subsidy rate remains *de minimis*, the Department will instruct CBP to liquidate shipments of honey from Argentina entered, or withdrawn from warehouse, for consumption from January 1, 2003, through December 31, 2003, without regard to countervailing duties. Also, the rate of cash deposit of estimated countervailing duties will be set at zero percent *ad valorem* for all shipments of honey from Argentina entered, or withdrawn from warehouse, for consumption on or after the publication of the final results of this administrative review. The Department will issue appropriate assessment instructions directly to the CBP within 15 days of publication of the final results of this review.

Public Comment

Pursuant to 19 CFR § 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of publication of this notice. Pursuant to 19 CFR § 351.309, interested parties may submit written comments in response to these preliminary results. Unless otherwise extended, case briefs must be submitted within 30 days after the date of publication of this notice, and rebuttal briefs, limited to arguments raised in case briefs, must be submitted no later than five days after the time limit for filing case briefs. Parties who submit arguments in this proceeding are requested to submit with the briefs: (1) a statement of the issue, and (2) a brief summary of the argument. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR § 351.303(f). Also, pursuant to 19 CFR § 351.310, within 30 days of the

date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date of submission of rebuttal briefs, that is, thirty-seven days after the date of publication of these preliminary results.

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date the case briefs, under 19 CFR § 351.309(c)(ii), are due. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief.

This administrative review and notice are issued and published in accordance with section 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. 1675(a)(1) and 19 U.S.C. 1677f(1)).

Dated: December 13, 2004.

James J. Jochum,

Assistant Secretary for Import Administration.

[FR Doc. 04-27912 Filed 12-20-02; 8:45 am]

BILLING CODE 3510-DS-P

COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

Denial of Commercial Availability Request Under the United States-Caribbean Basin Trade Partnership Act (CBTPA)

December 15, 2004.

AGENCY: Committee for the Implementation of Textile Agreements (CITA).

ACTION: Denial of the request alleging that certain colored open end spun yarns for use in chief weight cotton sweaters cannot be supplied by the domestic industry in commercial quantities in a timely manner under the CBTPA.

SUMMARY: On October 12, 2004, the Chairman of CITA received a petition from Sandler, Travis & Rosenberg, P.A., on behalf of Bernette Textile Co, LLC of New York, NY, alleging that certain colored open end spun yarns ranging in size from 6/1 to 18/1 English count (10.16/1 to 30.47/1 metric) of a blend of reclaimed and reprocessed cotton and acrylic staple fiber, for use in chief

weight cotton sweaters, cannot be supplied by the domestic industry in commercial quantities in a timely manner. The petition requested that such apparel made from such yarn be eligible for preferential treatment under the CBTPA.

SUPPLEMENTARY INFORMATION:

Authority: Section 213(b)(2)(A)(v)(II) of the Caribbean Basin Economic Recovery Act, as added by Section 211(a) of the CBTPA; Section 6 of Executive Order No. 13191 of January 17, 2001.

Background

The CBTPA provides for quota- and duty-free treatment for qualifying textile and apparel products. Such treatment is generally limited to products manufactured from yarns and fabrics formed in the United States or a beneficiary country. The CBTPA also provides for quota- and duty-free treatment for apparel articles that are both cut (or knit-to-shape) and sewn or otherwise assembled in one or more CBTPA beneficiary countries from fabric or yarn that is not formed in the United States, if it has been determined that such fabric or yarn cannot be supplied by the domestic industry in commercial quantities in a timely manner. In Executive Order No. 13191, the President delegated to CITA the authority to determine whether yarns or fabrics cannot be supplied by the domestic industry in commercial quantities in a timely manner under the CBTPA and directed CITA to establish procedures to ensure appropriate public participation in any such determination. On March 6, 2001, CITA published procedures that it will follow in considering requests (66 FR 13502).

On October 12, 2004, the Chairman of CITA received a petition from Sandler, Travis & Rosenberg, P.A., on behalf of Bernette Textile Co, LLC of New York, NY, alleging that certain colored open end spun yarns ranging in size from 6/1 to 18/1 English count (10.16/1 to 30.47/1 metric) of a blend of reclaimed and reprocessed cotton and acrylic staple fiber, for use in chief weight cotton sweaters, cannot be supplied by the domestic industry in commercial quantities in a timely manner. It requested that such apparel made from such yarn be eligible for preferential treatment under the CBTPA.

Specifications:
HTS Subheadings: 5206.11.00.00, 5206.12.00.00.

Description: Open end spun yarn of uncombed fibers.

Size: 10 to 31 metric count.
Fiber Content: In chief weight of cotton reclaimed from fabric scraps blended with producer dyed acrylic

stable produced under license from Outlast Technologies, Inc.

On October 20, 2004, CITA published a **Federal Register** notice requesting public comments on the request, particularly with respect to whether these yarns can be supplied by the domestic industry in commercial quantities in a timely manner (69 FR 61658). On November 5, 2004, CITA and the Office of the U.S. Trade Representative offered to hold consultations with the relevant Congressional committees. We also requested the advice of the U.S. International Trade Commission and the relevant Industry Trade Advisory Committees.

Based upon the ITC report and information provided by the domestic industry, CITA finds that there is domestic capacity and ability to supply colored open end spun yarns of a blend of reclaimed and reprocessed cotton and acrylic staple fiber in commercial quantities and a timely manner. CITA finds that the assertion of a patent or license as a barrier to domestic production of the subject product is not a sufficient reason alone to conclude that the product cannot be supplied by domestic industry in commercial quantities in a timely manner.

On the basis of currently available information and our review of this request, CITA has determined that there is domestic capacity to supply the subject product in commercial quantities in a timely manner. Bernette's request is denied.

James C. Leonard, III,

Chairman, Committee for the Implementation of Textile Agreements.

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DEPARTMENT OF DEFENSE

Department of the Navy

Notice of Intent To Prepare an Environmental Impact Statement/ Environmental Impact Report for the Santa Margarita River Conjunctive Use Project, San Diego County, CA; Correction

AGENCIES: Department of the Navy, DOD, Bureau of Reclamation, DOI.

ACTION: Notice; Correction.

SUMMARY: The Department of the Navy published a document in the **Federal Register** on November 1, 2004, announcing its intent to prepare an Environmental Impact Statement/ Environmental Impact Report for the Santa Margarita River Conjunctive Use